



CALPEEK

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P.O. BOX 1468, BEVERLY HILLS, CA 90213 (310) 659-0205
Dick Rosengarten, Publisher

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MAJOR POLITICAL FALLOUT AS CALIF.'s BUDGET TAKES A HIT AND SO DOES WILSON IN A NEW POLL.

Editor's note: the economic news carried across the State on TV and in newspapers last week was **not** the kind of news that Gov. Pete Wilson needed. And the new Field Poll doesn't help either. Here's CALPEEK's brief report & analysis...

...CALPEEK starts this report with the latest numbers from The Field Poll, released July 20th. It shows Demo Kathleen Brown holding a 5-pt. lead over Wilson. The poll was taken July 12-17 among 609 registered voters. Considering all the bashing that Brown has taken recently, this latest poll was a shock to insiders. Brown leads Wilson by a **44% to 39%**, with the rest undecided. That's a **3-pt. drop** for Wilson and a **5-pt. drop** for Brown --- from the last Field Poll taken mid-May. Bottomline: with many other polls, both Demo & GOP, showing Brown trailing by as much as 10-pts., this new Field Poll was equal to Brown winning the **first half** of the *daily double*. And this poll helps psychologically and for *fundraising purposes*...

...Making matters worse for the governor, the U.S. 9th Circuit Court of Appeals said that welfare cuts okayed by the Bush Administration back in 1992 were illegal. Welfare budget cuts also took place in 1993 and again this year. What does this mean? Wilson and the Demo controlled Legislature are going to have to cut a deal to reduce the red ink --- otherwise that *budget trigger* will kick in and cuts will automatically be made across the board. That's bad political news for Wilson because all this budget talk tends to push the discussion away from his pet issue of **crime** and move it toward Brown's bread & butter issues, **jobs & the economy**. If by election time the issue remains *economic* instead of *social*, then some Demo sources think Brown may have a chance. But the new Field Poll says that regardless of how voters view Brown now, 46% think that Wilson

ultimately wins in November, compared to 33% who think Brown can pull it off. That's the only piece of good news for Wilson in this newest poll...

...The second piece of bad news was anticipated. All three major NY bond rating services lowered CA's bond credit rating. Why did Wall Street lower CA's credit rating? The chief villain is CA's \$57.3 billion budget --- and here Treasurer Brown must take a hit, because her continued bashing of the budget (in her role as candidate) didn't play well on Wall Street. Wilson's still hopes the *federal tooth fairy* will deliver \$2.8 billion to CA for the impact of illegal immigration, but Demo Controller Gray Davis is right when he says Wall Street doesn't think DC will deliver. Stay tuned...

***** IT'S TIME FOR A LITTLE VACATION *****

CALPEEK will be off the week of July 25th, taking a little vacation break. So there won't be an August 1st issue of CALPEEK. We'll be back at work on Aug. 1st and our next issue will be dated Aug. 8th. And sometime during August it's our intent to publish CALPEEK's **1994 Election Guide**...

Prop. 187 UPDATE: ANTI-SOS DRIVE UNDERWAY.

Editor's note: The campaign to defeat Prop. 187, aka the Save-Our-State/illegal immigrant initiative, is almost out of the starting gate. Here's CALPEEK's update & analysis...

...As reported in CALPEEK a few weeks ago, the opposition to Prop. 187 held its first series of meetings in early July and out of those meetings there is now movement. There's still no formal cmt. name (other than NO on 187), but that will be resolved very soon. The cmt. has agreed that the campaign to defeat 187 should be managed by Woodward & McDowell, one of the savviest firms specializing in ballot measure cam-

paings, but there's no signed contact yet. The opposition has a proposed budget of \$4 million, but that sounds very optimistic. However, if NO on 187 backers are successful in rounding up both labor & the captains of CA industry to oppose this measure, that budget might be within reach. It's going to take big bucks to turn the situation around...

...And how do voters feel about SOS? The Field Poll will be out soon, but the NO on 187 cmt. commissioned its own survey and it shows about the same thing as a March 1994 poll by the L.A. Times --- that SOS is favored by upwards of 62% of the voters. Support drops off slightly after *push questions*...

...Opponents also are hoping to prevent Prop. 187 from becoming a GOP vs. Demo thing --- but that may not be totally possible. The CA Republican Party has endorsed SOS, while the CA Demo Party is opposed. Ditto Gov. Pete Wilson (YES) and Demo Kathleen Brown (NO). Still, those are the only two very high profile partisans to take positions...

...There are some GOP sources who think Republican voters are confused because they are unsure of the economic impact such an initiative would have on CA's already fragile business climate. One source told CALPEEK that if SOS passes and if the INS begins to enforce current laws already on the books (employer sanctions for hiring illegals), then some of L.A.'s fanciest restaurants will be hurting real bad...

...Indeed, one of the problems faced by the NO on 187 side is that federal government is not only failing to stop the massive flow of illegals across the border, but it also has failed to enforce employer sanctions. Thus NO on 187 doesn't at this point have much to offer voters in the way of an alternative. Sources believe those voters who now lean toward a YES on 187 do so because they are frustrated by lack of U.S. action...

...FYI: CALPEEK sources hope that new White House COS Leon Panetta will build a fire under U.S. Atty. Gen. Janet Reno to get her moving on the illegal immigration issue. Reno, it seems to many here in Calif., just doesn't have a "sense of urgency" with regard to this very hot and troubling issue. Stay tuned...

U.S. SENATE RACE: HUFFINGTON vs. LYNN CUTLER

Editor's note: By now most CALPEEK readers have heard of U.S. Rep. Michael Huffington's bumbling attempt to pull off a "*Mulholland*" against U.S. Sen. Dianne Feinstein at the Washington DC home of Demo activist Lynn Cutler. It's great gossip --- and since CALPEEK actually spoke to Cutler about 30 minutes before all this stuff happened, here's our report & commentary...

...This brouhaha began when somehow the Republican Senatorial Campaign Cmt. got their hands on a June 27th invite letter from Cutler to 25 of her "friends," asking them to join her for a private \$1,500 dinner July 18 in honor of DiFi. The money went to the DSCC, not to DiFi. Chump change to Huffington, who is financing his own campaign -- so far about \$9.5 million. The RSCC then passed the Cutler letter over to Huffington, who went ballistic when he read one passage that referred to him: "He represents everything that is antithetical to us as women and as Jews." The word *antithetical* means the *opposite*. But Huffington's interpretation was that Cutler was saying that he, Huffington, was *anti-Semitic*...

...What did Cutler mean? She told CALPEEK and later The Reliable Source at the Washington Post that her references to Huffington were based on her perception that the congressman was anti-choice and that he was bad on issues dealing with the separation of church & State. She never said Huffington was anti-Semitic. "These are my opinions, not Dianne's," she told CALPEEK. DiFi cmp. mgr. Kam Kuwata told the Washington Post that there is nothing to suggest that Huffington is anti-Semitic...

...What's the spin from neutral sources on this one-day story? The headlines (*Huffington Disrupts Democratic Event* - LAT; and *Then He Huffed, and He Puffed...* - Washington Post) aren't especially good for Huffington, but in reading the stories carefully, you can understand why Huffington was upset with Cutler. But the way he handled it, going to Cutler's home after alerting the news media --- he didn't come across as *senatorial*...

...P.S. Cutler should double check her list of "friends" in an effort to find out who leaked her invite letter to the GOP Senatorial Campaign Cmt. Stay tuned...

DOG DAYS OF SUMMER: POLITICAL SHORT TAKES.

Editor's note: Here are a few political items worth noting...

- **DiFi Still Leads Huffington** - U.S. Sen. Dianne Feinstein(D) continues to lead GOP U.S. Rep. Michael Huffington in the latest Field Poll. DiFi is at 45% and Huffington is at 39% --- a 6-pt. lead. Since January, Huffington has spent about \$50,000 per day on his campaign and until recently (late June to present), DiFi had not had the resources to mount an aggressive TV response to the constant pounding being dished out by the freshman congressman...

- **29th S.D. Special** - Gov. Pete Wilson has set Sept. 13th for a special election to replace Frank Hill(R-Whittier), who resigned his senate seat after being convicted on charges of political corruption. At this point, CALPEEK sources have IDed 4 Republicans and 1 Demo who plan to run. The GOPers are Assemblymembers Richard Mountjoy of Arcadia and Paul Horcher of Diamond Bar; Diamond Bar Councilman Gary Miller and Howard Hurd. The lone Demo is Sandy Hester, who ran against Hill once before. Mountjoy has hired veteran GOP consultant Bob Gouty, while Miller has hired McNally Temple & Assoc. With a field like this, a Nov. 8th runoff is almost assured. Sources confirm that the Senate Demo Leadership would like Hester to drop out. Why? To give Horcher a shot at Demos who might cross party lines. Hester's response: take a hike, I'm running. FYI: Horcher's aide, Ron Brand, has a problem --- he was illegally registered at a rented mailbox in Diamond Bar. He's going to re-register, but the irony is that Horcher has been a major critic of voter registration fraud. Opps...

- **The O.J. File** - A new Field Poll released July 19 shows that only 38% of Blacks questioned think that O.J. Simpson is "very likely" or "somewhat likely" to be guilty of murdering his ex-wife and her friend. Among whites, the number was 62%. Statewide, 58% think it is very likely or somewhat likely that O.J. is guilty, while 17% said it's not too likely or not likely at all. 46% of those questioned think O.J. should be tried for a lesser offense (2nd degree murder or manslaughter), while 36% says the DA should stick with 1st degree murder. 30% of those questioned think O.J. should be put to death, while 57% favor life in prison...

- **New Demo Chair for S.F. County** - Matthew Rothschild, a close ally of S.F. Co. Sup. Carole Migden, is the new Demo Party chair for SF County. Rothschild, who was backed by Migden and U.S. Rep. Nancy Pelosi, received 19 of 29 votes cast to defeat Ron Colthirst, who was backed by Assembly Speaker Willie Brown and Assemblyman John Burton. Migden had been the chair, but stepped down recently to devote full time to running for reelection Nov. 8th...

- **Ross Johnson's Future Plans** - Don't be too shocked if Fullerton Assemblyman Ross Johnson(R) decides after Nov. 8th that he'd really like to be in the CA State Senate --- and jumps into a special election for Marian Bergeson's soon-to-be-vacate 35th S.D...

- **Fax Wars** - It may be the *dog days of summer*, but not the campaigns of the "Big 4" -- Wilson, Brown, Huffington and Feinstein. They've been pumping out the news releases like there was no tomorrow. The winner in *fax wars* is DiFi --- 26 pages the other day, outlining her case against Huffington on border agents and illegal immigration funding. Runner-up: Wilson with 11 pages (and a 2nd time by mistake)...

- **3 Strikes Update** - Although it probably won't make much difference when all the votes are counted, Mark Klaas, father of murder victim Polly Klaas, has signed the ballot argument AGAINST Mike Reynolds' 3 Strikes Initiative. Very interesting...

- **Nov. 8th Turnout May Be Good** - Despite the fact that the June primary was dismal, there are some CALPEEK sources who think the November general election turnout will be pretty good. Why? In addition to two interesting top-of-the-ticket races, there are 5 initiative measures on the November ballot, 3 of which are controversial. And the smoking and single-payer health care initiative will generate **big bucks spending**. What sort of a turnout in terms of percentages? In 1990 when Wilson battled Feinstein, 7.9 million voters cast ballots --- and that translated into a 59% turnout. In 1994 the turnout easily could go over 60% and could top 65% --- if Demo GOTV/field ops is as successful as CDP officials anticipate. Stay tuned...

S.F. VOTERS GEARING UP FOR A BUSY NOVEMBER...

Editor's note: The 1994 S.F. City/County Board of Supervisors election takes place Nov. 8th, but this fall election promises to be more than just a battle to see who gets on the board. Here is CALPEEK's 1st report & analysis...

...The image of CA's 4th largest city is about to change. And the change may help. The S.F. Labor Council and some of the city's biggest employers operating under the banner of The Cmt. on JOBS recently reached an agreement which could save the city \$100 million over the next three years. Details will be discussed in another story. But the bottomline is that S.F. Mayor Frank Jordan's emerged from this agreement with a smile, as did Sup. Carole Migden, who with Sup. Barbara Kaufman, were backing an initiative to freeze city employee wages unilaterally and abolish binding arbitration...

...It's against this recent development that voters will go to the polls Nov. 8th to elect 5 supervisors. Migden is one of those who will face voters and she's got more on her mind that just winning another term. If she finishes first, she'll be the board's new chair and will be in a position to challenge Jordan in 1995, when it's expected that Jordan, Sup. Angela Alioto, Migden and businessman/Sour Dough King Lou Giraudo will all battle to become mayor...

...Migden has hired consultant Dick Pabich. Other supes up in November include Kevin Shelly, who has not ruled out a possible run for mayor; Annemarie Conroy and Susan Leal. Term limits have ended Bill Maher's career --- so there will be one open seat. Shelly has hired Terris & Jaye; Conroy has hired Clint Reilly; Leal has retained Staton-Hughes. Some early polling shows Migden leading, with Shelly second and Conroy third...

...Of the non-incumbents, the strongest candidates appear to be Tom Ammiano, president of the school board; and Mabel Teng, a community college trustee. Ammiano has hired Tramutola & Co., while Teng has hired John Whitehurst. Other non-incumbents with backing include Sylvia Courtney - labor's candidate; and Bruce Quan, an attorney. Stay tuned...

NEW JOBS, ADDRESSES AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

- Patrice Landry Smith has joined S.F.-based Kamer/Singer & Assoc. as an AE. She was with TakeCare Health Plan prior to joining K/S&A...

- Veteran GOP campaign consultant Gary Huckaby has left Sacto, but is back in business with his Persuasive Communications agency at 2337 Ganador Ct., San Luis Obispo, CA 93401. (805)547-9952...

- S.F. Chronicle's longtime political reporter Jerry Roberts is the Chron's new editorial page editor...

- The U.S. Senate campaign of Michael Huffington has added more staff. Joining the team are consultant Ed Rollins as a general consultant; Mark Thiessen & Jennifer Grossman, both assigned to the press office; and Keith Welch has been hired as field director for the Central Valley...

- U.S. Sen. Dianne Feinstein(D) and U.S. Rep. Jane Harman(D-L.A.) have hired consultant Roy Behr, who will split time between the two campaigns...

- Mark Slavkin has been elected president of the L.A. School Board...

- The Gray Davis for LG campaign has hired Samantha Stevens as director of scheduling and field operations...

- The Englander Group has been hired to run the 2nd District Orange Co. Bd. of Supes campaign of Linda Moulton Patterson...

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